

Message Text

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51

ACTION EB-11

INFO OCT-01 EUR-25 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

AF-10 ARA-16 EA-11 NEA-10 DRC-01 /240 W

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P R 141730Z DEC 73

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 2984

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS UNN

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PASS STR

E.O.11652 NA

TAGS ETRD GATT EC

SUBJ ARTICLE XXIV:6-EC OFFER

REF GENEVA 6555

1. ORIGINAL EC OFFER OF JAN 1973 (GATT DOCUMENT L/3807)
WAS TO EXTEND GATT SCHEDULES OF EC-SIX TO EC-NINE
"SUBJECT TO APPROPRIATE ADJUSTMENTS IN THE AMOUNTS OF
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THE TARIFF QUOTAS INDICATED IN THOSE SCHEDULES OF CON-

SESSIONS." US RECORDS OF US-EC XXIV:6 MEETINGS INDICATE US MENTIONED TO ISSUE AT FIRST MEETING MARCH 15 AND, AT THIRD MEETING MAY 1, EC SAID IT WAS PROCEEDING AS QUICKLY AS POSSIBLE ON MODIFICATION OF TQS. SO FAR AS US MISSION MEMBER OF USDEL AWARE, WE HAVE HAD NO FURTHER WORD FROM EC ABOUT TQS UNTIL DEC 13 MEETING REPORTED REFTEL WHEN LUYTEN OUTLINED EC INTENTIONS CONCERNING TQS. WE DEFERRED REPORTING PENDING FURTHER CLARIFICATION FROM LUYTEN DEC 14 AS OUTLINED BELOW.

2. LUYTEN SAID EC INTENDS LEAVE ALL BUT THREE TQS IN EC SCHEDULES XL AND XL BIS UNCHANGED FROM 1 JAN 1974 UNTIL EC-EFTA AGREEMENTS ARE FULLY IN EFFECT IN MID-1977, I.E. THE SAME TQ LEVEL WILL APPLY DURING NEXT 3 1/2 YEARS TO EC-NINE AS NOW APPLIES TO EC-SIX EXCEPT:

(A) HERRING,

(B) STOCKFISH, AND

(C) MECHANICAL WOOD PULP. LUYTEN DID NOT THINK US HAS ANY INTEREST IN FISH ITEMS BUT, AT OUR REQUEST, WILL SUPPLY DETAILS IN DUE COURSE ABOUT REDUCTION OF TQS ON THESE TWO ITEMS.

3. CONCERNING MECHANICAL WOOD PULP, ITEM 47.01 A II, PRESENT EC SCHEDULE (OF SIX) HAS DUTY-FREE QUOTA OF 170,000 METRIC TONS FOR MECHANICAL WOOD PULP AND SEMI-CHEMICAL WOOD PULP. EC MEMO OF DEC 13, IN COLUMN IDENTIFIED AS "INITIAL OFFER" (NOT REPORTED REFTEL) SAYS EC INITIALLY PROPOSED REDUCTION OF THIS TQ TO 158,000 METRIC TONS. FINAL COLUMN OF DEC 13 MEMO IDENTIFIED AS "IMPROVED OFFER" (AND REPORTED REFTEL) ELIMINATES DUTY-FREE TQ ENTIRELY. THIS MEANS (CONFIRMED BY LUYTEN) MECHANICAL WOOD PULP WILL BE SUBJECT TO 3 PER CENT DUTY IN EC-NINE ON 1 JAN 1974 WITHOUT ANY DUTY-FREE TQ; ON JAN 1, 1975 RATE DROPS TO 1.5 PERCENT WITHOUT ANY TQ; ON JAN 1, 1976 ITEM BECOMES DUTY--FREE FOR ALL COUNTRIES. LUYTEN SAID THIRD COUNTRY EXPORTERS OF THIS ITEM TO EC-NINE WILL APPEAR TO BE marginally WORSE OFF FOR NEXT TWO YEARS BY NOT HAVING ACCESS TO DUTY-FREE TQ BUT THEREAFTER WILL BE BETTER OFF BY HAVING DUTY-FREE ACCESS TO EC-NINE WITHOUT QUANTITATIVE LIMITED OFFICIAL USE

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LIMITATION.

4. LUYTEN SAID EC WILL HAVE TO RE-EXAMINE ALL TQS AS DATE FOR FULL IMPLEMENTATION OF EC-EFTA AGREEMENTS GETS CLOSER. EC INTENDS TO REDUCE TQS FOR THIRD COUNTRIES AFTER THAT DATE TO EXTENT EFTA COUNTRIES ACTUALLY SUPPLIED EC-NINE WITHIN TQ. SINCE EFTA COUNTRIES WILL HAVE DUTY-FREE ACCESS TO EC-NINE AFTER JULY 1, 1977

EC CONSIDERS SIZE OF TQS FOR THIRD COUNTRIES SHOULD
BE REDUCED.

5. IN RESPONSE TO QUESTION WHY EC IS NOT INCREASING
MOST TQS JAN 1, 1974 INSTEAD OF LEAVING THEM AS IS
(WHICH APPEARS MAKE TQS MORE RESTRICTIVE WHEN
SHARED AMONG NINE AS OPPOSED TO SIX), LUYTEN SAID HE
SEES NO REQUIREMENT IN ARTICLE XXIV OR ARTICLE XXVIII
TO DO SO. HE SAID ISSUE OF TQS BOUND IN EC SCHEDULES
SHOULD NOT BE EXAGGERATED SINCE MOST OF THEM ARE
HISTORICAL ANACHRONISMS INHERITED FROM INDIVIDUAL
MEMBER STATES AT TIME OF ROME TREATY; MOREOVER,
AUTONOMOUS (UNBOUND) TQS OR DUTY REDUCTIONS OR
SUSPENSIONS FOR SAME ITEMS HAVING A BOUND TQ CON-
CESSION FREQUENTLY MUCH MORE SIGNIFICANT FOR TRADING
COMMUNITY.BASSIN

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
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